

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 N. SCHOOL STREET, BUILDING E
HONOLULU, HAWAII 96817
ON THURSDAY, SEPTEMBER 22, 2011
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Board Meeting at 1002 N. School Street, on Thursday, September 22, 2011 at 9:00 a.m.

The meeting was called to order by Chairperson Gierlach at 9:00 a.m. and, on roll call, those present and absent were as follows:

PRESENT: Director David Gierlach, Chairperson
Director Jason Espero
Director Roger Godfrey
Director Desiree Kihano
Director Patricia McManaman
Director Debbie Shimizu
Director Travis Thompson
Director Trevor Tokishi
Director George Yokoyama
Director Matilda Yoshioka

Executive Director, Denise Wise
Deputy Attorney General, Jennifer Sugita

STAFF PRESENT: Clarence Allen, Fiscal Officer
Barbara Arashiro, Executive Assistant
Nicholas Birck, Housing Planner
Becky Choi, State Housing Development Administrator
Kiriko Oishi, Housing Compliance and Evaluation Specialist
Joanna Renken, Public Housing Supervisor
Rick Sogawa, Contracts and Procurement Officer
Dionicia Piiohia, Secretary to the Board

OTHERS: Zara Aki, Kamehameha Homes tenant
Stacie Brach, Interstate Realty Management (IRM)
Lowell Kalapa, Weed & Seed
Maile Kanemaru, Weed & Seed
Genie Kincaid
Fetu Koli, Mayor Wright Homes tenant
Makani Maeva, Vitus Group
David Moakley, Ameresco

Monika Mordasini, Michales Development Company
Rob Shikina, Honolulu StarAdvertiser
Russell Suzuki, Deputy Attorney General

Proceedings

Chairperson Gierlach declared a quorum present. The business of the Board proceeded with approval of the Regular Meeting Minutes of August 18, 2011. Director Thompson moved and Director Espero seconded to approve the minutes

The minutes were unanimously approved.

The approval of the Executive Session Minutes of August 18, 2011 was deferred until later in the meeting.

Director McManaman entered the meeting at 9:10 a.m.

Public Testimony

Ms. Zara Aki, President of Kamehameha Homes Resident Association, wanted to provide testimony to recognize the efforts and results of Ms. Denise Wise, Executive Director. She stated that under Ms. Wise's leadership problems are handled in a timely manner; she listens to the tenants and her leadership has provided a needed difference at the HPHA. She believes that the agency is finally on the right track and she was concerned that should Ms. Wise leave it would set the agency back. She noted that Ms. Wise has been at the project until 11:00 pm when there was an incident on the property and she works in partnership with the tenants to resolve issues. Her departure would be a setback for the agency.

Mr. Fetu Kolio of Mayor Wright Homes (MWH) thanked Ms. Wise for her efforts and hoped she would continue as the Executive Director. But there are often changes in government, directors and soldiers. He mentioned that he was locked out of his unit for no reason and security called the police to remove him off the property. He stated there was no cause and no reason to be locked out or have the locks changed. He believed his civil rights were violated.

For Action

Motion: To Authorize the Executive Director to Conduct Public Hearings on Proposed Revisions to Section 17-2021, Hawaii Administrative Rules, Removing State Housing Projects from the Federal Grievance Procedure for the Hawaii Public Housing Authority ("HPHA").

Director Yoshioka moved and Director Kihano seconded.

Ms. Denise Wise, Executive Director explained that additional changes and clarifications were forthcoming from the Attorney General's (AG) office on this matter. Ms. Wise and Ms. Jennifer Sugita, Deputy Attorney General, recommended tabling this item until all recommendations had been received and reviewed by the AGs for full presentation to the Board.

Directors Yoshioka and Kihano withdrew their motion to approve. Director Thompson moved and Director Yoshioka seconded to table the For Action.

The motion was unanimously carried.

Motion: To approve the Hawaii Public Housing Authority's proposed amendments to Chapter 356D-6, Hawaii Revised Statutes, relating to the nomination of the Resident Board Member and to authorize the Executive Director to submit the proposed amendments to Executive Branch Departments for review and inclusion in the Administration's Legislative package for the supplemental year of the Fiscal Year 2011-2013 Biennium.

Director McManaman moved and Director Espero seconded.

Mr. Nicholas Birck, Housing Planner, explained that the Resident Advisory Board (RAB) requested this amendment. In summary they wish to lower the number of nominee referrals to the Governor for the resident member Board representative from five to three. The RAB believes this will provide a more concise listing and they do not believe it will dilute or discourage the number of qualified candidates.

Chairperson Gierlach asked what was the RAB's rational and basis for reducing the numbers. Director Kihano explained that the most recent nomination and recommendation process did have five residents submit an application. However, two residents declined when the roles and responsibilities were detailed to them. It was difficult to recruit two additional candidates and that was the primary reason it took longer to refer candidates to the Governor. As a result of the delay and re-recruitment, the Resident Board member seat sat vacant for four months.

Discussion ensued and Director McManaman suggested a rewording that stated no less than three and no more than five. Chairperson Gierlach commented that in his experience at Mayor Wright Homes, it is difficult to organize and get residents involved. He expressed concern that this reduces opportunities and prefers to encourage more people to participate rather than set up a system that encourages fewer people to participate. Ms. Wise explained that this recommendation came from the RAB and it was discussed at their Board meeting and this was at their initiative. She further endorsed the suggested rewording of Director McManaman as it provided a balance of the RAB's request and still accommodated the opportunity for more nominees.

Directors McManaman and Espero withdrew their motion. Director Tokishi moved and Director Kihano seconded to amend the language of "...nominees to a minimum of three and no more than five."

The motion was unanimously carried.

Motion: To approve the Hawaii Public Housing Authority's proposed amendments to Chapter 356D-2, Hawaii Revised Statutes, relating to the compliance with HUD Notice PIH-2011-48 (HA), guidance on reporting public housing agency executive compensation information and conducting comparability analysis (effective August 26, 2011) and to authorize the Executive Director to submit the proposed amendments to Executive Branch Departments for review and inclusion in the administration's legislative package for the supplemental year of the Fiscal Year 2011-2013 Biennium.

Director Yoshioka moved and Director Shimizu seconded

Ms. Wise reported that the U.S. Department of Housing and Urban Development (HUD) Office of Public and Indian Housing (PIH) issued a Notice PIH-2011-48 regarding the compensation of Housing Authority executive directors (ED). This notice was prescriptive and requires all Public Housing Agencies (PHAs) to conduct a comparability analysis in determining the executive director's compensation and then must certify compliance with this requirement. The manner in which compliance with this directive is certified is within the PHA 5-year and annual plan and the Chairperson of the Board or other authorized PHA official certifies that the PHA has complied with the comparability analysis requirement.

Discussion ensued and it was noted that the HPHA's executive director's salary is tied to the Department of Human Resources Development (DHRD) Director's salary by statute and it is not to exceed 85 percent of the DHRD's Director's salary. Therefore, although a comparability analysis is required, there is little that can be done as the executive director's salary is statutorily set.

Director McManaman asked if this amendment had been submitted to the AG's office for review. Mr. Birck responded that the HPHA was working to meet the Governor's Policy office timeframe for proposed legislative changes submission. This HUD directive was recently received therefore it is being presented to the Board and will be simultaneously submitted to the Governor's Policy Office, the AG's office and Budget and Finance (B&F). It was further noted during board discussion that the Board has the authority to pay less than 85 percent of the DHRD Director's salary but cannot exceed the statutorily set amount. The PIH notice requires the Board to certify to HUD that they have conducted a comparability analysis. It was further noted that noncompliance with this HUD directive may result in monetary sanctions.

Director McManaman moved and Director Thompson seconded to adopt the language in the HUD notice on page 41 , paragraph 6 and amend the language on the Attachment C, page 43, line 13 to read: "...paid a salary that is determined by the Board of Directors, using, other factors, to include, for example, independent compensation surveys and information concerning compensation provided

comparable PHA executive directors, to comparable state and local officials, and to comparable private sector executives.

The motion was unanimously carried.

Chairperson Gierlach stated that Action items D and E will be discussed after items For Discussion A and C. He declared a recess at 9:54 a.m. and the meeting reconvened at 10:10 a.m.

For Information/Discussion:

Weed & Seed Strategy at Mayor Wright Homes (MWH).

Chairperson Gierlach introduced Ms. Maile Kanemaru, Director and Mr. Lowell Kalapa, Board member of the Weed and Seed program. Ms. Kanemaru explained how the Weed and Seed program operates. It "weeds out" violent crime, gang activity, and drug trafficking, then "seeds" the target area with social programs, neighborhood restoration projects and economic development. The primary principles of the program include community participation, coordination, collaboration, and leveraging of resources. The goal at MWH is to first assess the needs of residents, and then meet with staff. As the needs are identified agencies will be solicited to provide services. By working with residents and staff this will provide a holistic approach to meeting the needs of the residents. A steering committee will be formed to coordinate, teach and collaborate. Priorities are safety and security. This can be attained by working with the Honolulu Police Department, the Sheriff office, and working with the site manager at MWH. Weed and Seed is requesting the Board support the program and to accept the philosophy of Weed and Seed.

Chairperson Gierlach commented that accountability is important and that we need to set targets and meet expectations. If not met, there has to be a reason and consequences. He hears from the residents at MWH that there is public drinking and it not being enforced by police and the smoking of marijuana out in the open is also not being enforced.

Mr. Kalapa commented that the whole concept is to get the police and community involved. The HPHA recognizes that it cannot be done for the tenants. They have to do it for themselves to take back their community. He emphasized that there will never be enough subsidized housing, and we need to provide the people in public housing the skills to empower our residents to stand on their own two feet.

Director Shimizu asked about the progress of the Weed and Seed program from when it first started until now. Ms. Kanemaru said that the target area at that time was MWH and Chinatown. The first thing to be done was to work with area residents to define the needs. Second was ensuring translation services were available because English was their second language and in order to communicate and form meaningful collaborations this was needed. This effort included different housing projects which were instrumental when working on gang related issues and working with businesses in the area.

Director Yokoyama asked if there was budget and what it is. Ms. Kanemaru stated a study was done and that \$250,000 per site per year was needed. That approximately half of the money was for weeding, community policing, investigation, undercover cars; and the other half was for seeding to provide prevention and intervention services. There are no available funds at this time and we will have to get creative in our collaboration and resource leveraging.

Director Kihano commented that Palolo Valley Homes had applied for Weed and Seed programming but was not they did not receive the grant. Ms. Kanemaru explained the criteria and that it is extremely competitive.

Director Yoshioka asked what the Board can do for the program. Ms. Wise commented that to ensure clarity a memorandum of understanding should be considered which defines roles and responsibilities; budget impact should be identified and staff time commitment be reviewed.

Discussion: Report by Department of Attorney General regarding Compliance issues concerning the Annual Contributions Contract and the Corrective Action Order.

Motion: To go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

Chairperson Gierlach called for a motion to go into Executive Session at 10:30 a.m.

Director Yoshioka moved and Director Kihano seconded.

The motion was unanimously carried.

The Board moved out of Executive Session at 11:18 a.m. and the meeting reconvened at 11:22 a.m.

Information: Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her official capacity as Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795).

Motion: To go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her official capacity as Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)

Chairperson Gierlach called for a motion to go into Executive Session at 11:28 a.m.

Director Yoshioka moved and Director Thompson seconded.

The motion was unanimously carried

Director Yokoyama left the meeting at 11:28 a.m.

The Board moved out of Executive Session and recessed at 12:32 p.m. The meeting reconvened at 12:40 p.m.

Chairperson Gierlach called for a motion to amend the agenda to add the letter of resignation that was received by the Executive Director.

Director Godfrey moved and Director Espero seconded.

The motion was unanimously carried.

Chairperson Gierlach accepted with regret and thanks, the resignation of Denise Wise, recognizing the good work that she has done for the agency and is grateful for her service. The resignation has been accepted by the Board with an effective date of October 12, 2011. Chairperson Gierlach requested a Special Meeting of the Board in two weeks to address the transition plan.

Chairperson Gierlach called for a motion to go into Executive Session at 12:54 p.m. to discuss For Action items IV. D and E.

Director McManaman moved and Director Tokishi seconded.

The motion was unanimously carried.

Chairperson Gierlach left the meeting at 12:55 p.m., and Vice-Chairperson Yoshioka took the gavel and chaired the rest of the meeting.

Motion: IV. D To approve disclosure of: (1) Executive Session Minutes dated December 16, 2010, regarding the motion to approve a waiver from the Conflict of Interest Provisions of Sections 19(A) of the Annual Contributions Contract between the Hawaii Public Housing Authority and the U.S. Department of Housing and Urban Development for the Chief Financial Management Advisor position; and (2) Executive Session Minutes dated April 21, 2011, regarding discussion with Michael S. Flores, U.S. Department of Housing and Urban Development on the Annual Contributions Contract and Corrective Action Order for purposes of internal investigation only.

Motion: IV. E To approve sharing of confidential Executive Session Minutes from 2008 to 2010 involving Mayor Wright Homes for purposes of internal investigation only.

The Board moved out of Executive Session and the meeting reconvened at 1:00 p.m.

Vice-Chairperson Yoshioka reported that motions were not made for either item therefore the items were considered dead.

Reports:

Ms. Wise reported that the second set of Financial Reports distributed were incorrect. This is a result of a systems conversion. The conversion has caused some fields to overlap thereby creating field discrepancies. Staff is currently working on the problems with the vendor.

Director McManaman left the meeting at 1:05 p.m.

The HUD presentation was rescheduled to the October Board meeting as HUD staff was unable to attend the September meeting due to a schedule conflict.

Information: Presentation by the Michaels Development Company on future phases of the Mixed Income Redevelopment at Kuhio Park Terrace.

Ms. Wise introduced Monika Mordasini, Vice President of Michaels Development Company (Michaels), Stacie Brach of Interstate Realty Management (IRM), Makani Maeva of Vitus Group.

Director Kihano asked about the differences between tenants in the project based project Section 8 units at Palolo Homes and the public housing units at KPT towers; and if they were eligible for tenant participation funds, membership on the RAB and other public housing requirements. Ms. Wise explained that units funded under the project-based Section 8 program are subject to different rules than the federal public housing program. The project-based units at Palolo Homes are not eligible for resident participation funds and do not participate in the RAB. Staff will need to confirm whether the KPT tower units are eligible for public housing programs.

Ms. Mordasini gave a power point overview of the Kuhio Park Terrace (KPT) project. She provided an introduction and overview of the conceptual plans, Phase I KPT Towers project, future phases, property management services and social services coordination. Michaels has similar developments in 33 States.

To identify community needs and hear resident's ideas for the community, a meeting was held on July 6, 2009. At the meeting residents expressed ideas about smaller neighborhood parks, gathering spaces, working elevators, improved laundry facilities, additional parking, cleaner trash areas, and increased security. Michaels used sustainable strategies in the renovation plans of the units to include, increase natural light and ventilation, solar hot water heating, and low

impact landscaping. The mix of units consists of 45 one bedroom, 315 two bedrooms, and 205 three bedrooms. The exterior façade improvements include an open and airy front entry by removing the concrete screens in the center of the towers and replacing it with open screens for more light and air. Renovations include an enlarged living area, new kitchen area, and the lanai is now enclosed. She explained the timing and schedule of the relocation of families. The master plan on the revitalization of the KPT Community in the next 10 years will consist of 11 phases with 1024 units.

Ms. Brach said that the social services department is to keep the community strong and monthly newsletters are sent to the tenants to see what is happening in the community.

Ms. Mordasini invited the Board to the open house on October 5, 2011. Director Shimizu asked that she be given more information so the Governor can attend.

Vice-Chairperson Yoshioka will discuss with Chairperson Gierlach the possible coordination of the special meeting and the 10:30 a.m. open house at KPT Towers.

Reports:

Board Task Force reports on the approach to strategic planning related to HPHA's portfolio.

Ms. Wise reported that the task force members were asked to develop a methodology for future decisions regarding the property portfolio held by the HPHA and prospective renovations of the properties. A diagram of the HUD annual plan was developed to prepare for upcoming reports and the highlights of the reports. The task force is devising a process that is systematic and comprehensive. The recommendations made by the task force in developing a comprehensive methodology include:

- Prepare an asset inventory and system map.
- Inventory services and survey market in neighborhoods serving our housing.
- Develop a condition assessment and priority scale.
- Assess remaining useful life of assets.
- Determine asset values and replacement costs.
- Analyze affect on HPHA's cash flow and future appropriations.

Director Thompson recommended further discussion to develop a plan and so that next steps on how to proceed can be defined and to provide staff with direction.

Executive Director's Report:

Director Thompson asked the status on the energy contract. Mr. Rick Sogawa, Contracts and Procurement Officer reported that the contract deadline was extended to October 7, 2011.

Chairperson Yoshioka asked the status on the Kauai personnel. Ms. Shirley Befitel, Personnel Supervisor explained that there was interest shown for the Public Housing Supervisor III position

who is on temporary hire, Building Maintenance Helper is hired, Building Maintenance Worker I will be on board in December.

Director Espero inquired about the process for reasonable accommodation requests. Ms. Kiriko Oishi, Housing Compliance and Evaluation Specialist, explained that the process for Reasonable Accommodation is that the tenant make the request to staff and if appropriate completes a form. The request is then sent to the Compliance Office who logs it in, and the Compliance Office then has 20 days to verify the disability. The doctor fills out a certification form if there is question about whether they have a disability and they recommend an appropriate accommodation. Once all information has been received a determination is made to approve or deny. A determination letter is mailed to the tenant and a copy faxed to the manager. If there is a request for an accessible unit or special location that might not be available at that time, they are put on a waitlist.

Director Shimizu asked what was and how the Asset Management Project (AMP) database adjustments were made. Ms. Wise explained that the HUD inspectors has a list that rates the property and if they find any rating of one or more "C" score which means life threatening health and safety deficiencies, we need to remediate that issue in 24 hours. She added that letters are sent to the tenants regarding the inspection and that their unit may be selected. Units are randomly selected when the inspectors arrive. Director Kihano commented that at Palolo Homes, the same unit has been inspected for the past three years. Ms. Wise commented that some properties have made significant increases and that staff will be recognized.

Vice-Chairperson Yoshioka asked the status of the expenditure of grants. Ms. Becky Choi, State Housing Development Administrator reported that the Capital Funds have been expended. A letter sent to Shaun Donovan, Secretary of HUD to request for an extension of time period for obligation of capital funds. We have two years to obligate the funds and the third year to expend. If you don't obligate the funds within the two years, you will be penalized 10 percent a month of the grant until the funds are obligated. Ms. Wise commended the team effort of the staff, the AG office and governor's office to expend the funds and we have another year to expend. Director Shimizu requested a copy of the approval letter.

Director Tokishi asked where the Family Self Sufficiency program financial institute on the interests being deposited to. Mr. Clarence Allen, Fiscal Officer stated American Savings Bank and the interest is less than one percent.

Vice-Chairperson Yoshioka asked what the status is on the Mayor Wright Homes incident. Ms. Wise stated that she will send the updates to the Board and that not much change. A meeting on October 3, 2011 with the residents their perspective to the issues is if there is a curfew, it is not a curfew. We are planning a quiet time so any guests after 10:00 p.m. must be off the property or get a guest pass. A meeting will be held next two to four weeks with security, tenant association and staff to make sure the understanding of communication and issues to be dealt with like quiet time for children under the age of 18 should be inside unless accompanied by an adult, but will check with the city ordinance on the age.

Ms. Wise added that on Fridays and Saturdays the tenants will reestablish the community walks from 10:00 to 11:30 p.m., the Weed and Seed officers were contacted and the Honolulu Police Department was also at the meeting. Major Chun has been working with HPHA at Kalihi Valley Homes and he sees a 70 percent drop in phone calls since last year.

Vice-Chairperson Yoshioka stated that the Chairperson Director Gierlach requested that item IV. F, Discussion: Location of HPHA Board Meetings and Possible Alternate Sites or Rotation at Public Housing Complexes be deferred to the next meeting on October 20, 2011.

Vice-Chairperson Yoshioka called for a motion to move in Executive Session at 2:55 p.m.

Follow-up Report on the Performance Evaluation of the HPHA's Executive Director and Executive Assistant. Pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to personnel matters.

Director Shimizu moved and Director Espero seconded.

The motion was unanimously carried.

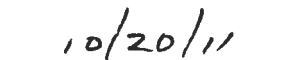
The Board moved out of Executive Session and with no further business for the Board to conduct, the meeting adjourned at 3:22 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:



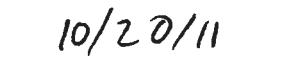
Dionicia Piiohia
Secretary to the Board/Recording Secretary


Date

Approved by the HPHA Board of Directors at their Regular Meeting on October 20, 2011



Jason Espero
Director/Board Secretary


Date